

Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2011 Open to Public Inspection
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A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011		
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization PROPERTY AND ENVIRONMENT RESEARCH CENTER Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 2048 ANALYSIS DRIVE City or town, state or country, and ZIP + 4 BOZEMAN, MT 59718	D Employer identification number 81-0393444 E Telephone number (406) 587-9591 G Gross receipts \$ 3,067,561
	F Name and address of principal officer	H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☒ No If "No," attach a list (see instructions) H(c) Group exemption number ▶
	I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no) ☐ 4947(a)(1) or ☐ 527	
	J Website: ▶ WWW.PERC.ORG	
	K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶	L Year of formation 1981

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities PERC IS DEDICATED TO IMPROVING ENVIRONMENTAL QUALITY THROUGH MARKETS AND PROPERTY RIGHTS PERC'S WORK CONSISTS OF RESEARCH, OUTREACH AND EDUCATION PERC APPLIES ECONOMIC THINKING TO ENVIRONMENTAL PROBLEMS		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	18
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	16
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 2,505,910	Current Year 3,060,329
	9 Program service revenue (Part VIII, line 2g)		0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	12,695	7,232
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,518,605	3,067,561
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	
14 Benefits paid to or for members (Part IX, column (A), line 4)			0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		1,076,844	1,093,234
16a Professional fundraising fees (Part IX, column (A), line 11e)			0
b Total fundraising expenses (Part IX, column (D), line 25) ☐ 141,674			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		1,178,004	1,115,170
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		2,254,848	2,208,404
19 Revenue less expenses Subtract line 18 from line 12		263,757	859,157
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	3,187,799	4,692,495
	21 Total liabilities (Part X, line 26)	81,668	727,207
	22 Net assets or fund balances Subtract line 21 from line 20	3,106,131	3,965,288

Part II Signature Block		
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.		
Sign Here	***** Signature of officer	
	TERRY ANDERSON Executive Direc Type or print name and title	
Paid Preparer's Use Only	Preparer's signature TERRY ALBORN	Date
	Firm's name (or yours if self-employed), address, and ZIP + 4 Junkermier Clark Campanella Stevens PC 220 West Lamme Suite 3-A Bozeman, MT 59715	
	May the IRS discuss this return with the preparer shown above? (see instructions)	
For Paperwork Reduction Act Notice, see the separate instructions.		

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization's mission

PERC IS DEDICATED TO IMPROVING ENVIRONMENTAL QUALITY THROUGH MARKETS AND PROPERTY RIGHTS PERC'S WORK CONSISTS OF RESEARCH, OUTREACH AND EDUCATION PERC APPLIES ECONOMIC THINKING TO ENVIRONMENTAL PROBLEMS

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 850,752 including grants of \$) (Revenue \$)

CONFERENCES AND SEMINARS SEE ATTACHED

4b

(Code) (Expenses \$ 832,373 including grants of \$) (Revenue \$)

PROJECTS SEE ATTACHED

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 1,683,125

Form 990 (2011)

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a143		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	2a16		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).				
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?			3a	No
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.			3b	No
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?		4a	No
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	No
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	No
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	No
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year.			7d0	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	No
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	No
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?				
8No				
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	No
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	No
10 Section 501(c)(7) organizations. Enter				
a Initiation fees and capital contributions included on Part VIII, line 12.			10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			10b	
11 Section 501(c)(12) organizations. Enter				
a Gross income from members or shareholders.			11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?				
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
a Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.			13a	No
b Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.			13b	
c Enter the aggregate amount of reserves on hand.			13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			14b	No

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	No
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. TERRY ANDERSON 2048 ANALYSIS DRIVE STE A BOZEMAN, MT 59718 (406) 587-9239

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) WILLIAM H MELLOR Director	0 00	X						0	0	0
(2) WILLIAM DUNN Director	0 00	X						0	0	0
(3) VERNON SMITH Director	0 00	X						0	0	0
(4) TYLER DANN Treasurer	1 00	X		X				0	0	0
(5) THOMAS J BRAY Director	0 00	X						0	0	0
(6) THOMAS BEACH Chairman	1 00	X		X				0	0	0
(7) TERRY ANDERSON Executive Direc	40 00			X	X	X		212,160	0	10,336
(8) STEVEN HAYWARD Director	0 00							0	0	0
(9) ROBERT C CLEMENT Director	0 00	X						0	0	0
(10) MONICA GUENTHER Secretary	0 00			X				0	0	0
(11) LOREN BOUGH Director	0 00	X						0	0	0
(12) LEIGH H PERKINS Director	0 00	X						0	0	0
(13) KIMBERLY DENNIS Director	0 00	X						0	0	0
(14) JEAN BRIGGS Director	0 00	X						0	0	0
(15) FRANK-PAUL KING Vice Chairman	1 00	X		X				0	0	0
(16) DWIGHT LEE Director	0 00	X						0	0	0
(17) DEBORAH DONNER Director	0 00							0	0	0

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	212,160		10,336

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 1

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►0

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,060,329			
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f			3,060,329		
Program Service Revenue	2a		Business Code				
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f			0		
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		7,232		
4		Income from investment of tax-exempt bond proceeds . .		0			
5		Royalties		0			
6a		Gross rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)		0			
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		0			
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events . .		0			
9a		Gross income from gaming activities See Part IV, line 19	a				
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities . .		0			
10a		Gross sales of inventory, less returns and allowances	a				
b		Less cost of goods sold . . .	b				
c		Net income or (loss) from sales of inventory . .		0			
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d			0			
12	Total revenue. See Instructions			3,067,561			7,232

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	212,160	109,750	42,410	60,000
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	679,199	418,298	204,625	56,276
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	40,290	34,649	3,626	2,015
9	Other employee benefits	90,074	77,549	8,726	3,799
10	Payroll taxes	71,511	35,179	24,704	11,628
11	Fees for services (non-employees)				
a	Management	60,836	60,836		
b	Legal	0			
c	Accounting	11,203		11,203	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	596,389	588,433		7,956
12	Advertising and promotion	0			
13	Office expenses	58,212	38,148	20,064	
14	Information technology	0			
15	Royalties	0			
16	Occupancy	148,358	117,011	31,347	
17	Travel	6,966	6,966		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	167,396	150,094	17,302	
20	Interest	350	350		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	7,550	6,040	1,510	
23	Insurance	11,216		11,216	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Printing and Publications	46,694	39,822	6,872	
b					
c					
d					
e					
f	All other expenses	0			
25	Total functional expenses. Add lines 1 through 24f	2,208,404	1,683,125	383,605	141,674
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			638,800	1	812,815
	2	Savings and temporary cash investments			1,208,064	2	845,000
	3	Pledges and grants receivable, net			1,220,586	3	1,271,627
	4	Accounts receivable, net			70,119	4	304,223
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	0
	7	Notes and loans receivable, net				7	0
	8	Inventories for sale or use				8	0
	9	Prepaid expenses and deferred charges			27,196	9	810
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,795,315	23,034	10c	1,458,020
	b	Less accumulated depreciation	10b	337,295			
	11	Investments—publicly traded securities				11	0
	12	Investments—other securities See Part IV, line 11				12	0
	13	Investments—program-related See Part IV, line 11				13	0
	14	Intangible assets				14	0
	15	Other assets See Part IV, line 11				15	0
	16	Total assets. Add lines 1 through 15 (must equal line 34)			3,187,799	16	4,692,495
Liabilities	17	Accounts payable and accrued expenses			81,668	17	61,867
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D				25	665,340
	26	Total liabilities. Add lines 17 through 25			81,668	26	727,207
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			1,929,947	27	1,877,200
	28	Temporarily restricted net assets			1,063,438	28	1,975,342
	29	Permanently restricted net assets			112,746	29	112,746
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			3,106,131	33	3,965,288
	34	Total liabilities and net assets/fund balances			3,187,799	34	4,692,495

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,067,561
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,208,404
3	Revenue less expenses Subtract line 2 from line 1	3	859,157
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,106,131
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	3,965,288

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		No

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization PROPERTY AND ENVIRONMENT RESEARCH CENTER	Employer identification number 81-0393444
--	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☒

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety Se**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	1,941,078	2,693,959	2,414,944	2,501,943	3,060,329	12,612,253
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	1,941,078	2,693,959	2,414,944	2,501,943	3,060,329	12,612,253
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						5,273,053
6 Public Support. Subtract line 5 from line 4						7,339,200

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	1,941,078	2,693,959	2,414,944	2,501,943	3,060,329	12,612,253
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	80,365	65,804	41,437	12,695	7,232	207,533
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						0
11 Total support (Add lines 7 through 10)						12,819,786
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	57 250 %
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15	59 210 %
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part IIIPart III

Support Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15		
16 Public support percentage from 2010 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization			
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization			
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions			

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PROPERTY AND ENVIRONMENT RESEARCH CENTER

Employer identification number
81-0393444

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4

Number of states where property subject to conservation easement is located ► _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
► \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	114,243	113,878			
b Contributions					
c Investment earnings or losses	496	365			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	114,739	114,243			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

3a(i)

☐ Yes

☐ No

3a(ii)

☐ Yes

☐ No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐ Yes

☐ No

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		1,426,653	2,674	1,423,979
c Leasehold improvements				
d Equipment		314,617	281,220	33,397
e Other		54,045	53,401	644
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				1,458,020

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	3,067,561
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,208,404
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	859,157
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	859,157

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	3,067,561
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	3,067,561
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	3,067,561

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	2,208,404
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	2,208,404
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	2,208,404

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
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Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
PROPERTY AND ENVIRONMENT RESEARCH CENTER

Employer identification number
81-0393444

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account	☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)	
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations	☐ Written employment contract ☐ Compensation survey or study ☒ Approval by the board or compensation committee	
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	No

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual.

[illegible]

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011**Open to Public
Inspection**Name of the organization
PROPERTY AND ENVIRONMENT RESEARCH CENTER**Employer identification number**

81-0393444

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19	Form 990, Part VI, Line 19 Other Organization Documents Publicly Available	UPON REQUEST, THESE DOCUMENTS ARE AVAILABLE FOR PUBLIC INSPECTION
Form 990, Part VI, Line 15b	Form 990, Part VI, Line 15b Compensation Review and Approval Process for Officers and Key Employees	THE EXECUTIVE COMPENSATION IS REVIEWED AND ESTABLISHED ON AN ANNUAL BASIS. A NUMBER OF PERC DIRECTORS SIT ON OTHER NATIONAL NONPROFIT BOARD OF DIRECTORS AND HAVE AN ACCURATE ASSESSMENT OF CEO PAY FOR NONPROFIT FME LEADERS WHO HAVE SENIOR SCHOLAR STATUS. PERCS CEO'S ANNUAL PERFORMANCE IS REVIEWED BY THE BOARD AT THE WINTER BOARD MEETING AND ANY MERIT PAY APPROVED TIES DIRECTLY TO THE PERCENTAGE GIVEN TO THE PERC STAFF AT THEIR ANNUAL YEAR-END MERIT REVIEW.
Form 990, Part VI, Line 12c	Form 990, Part VI, Line 12c Explanation of Monitoring and Enforcement of Conflicts	THE BOARD OF DIRECTORS ESTABLISHED A GRIEVANCE COMMITTEE TO ESTABLISH A CORRIDOR AND ACCESS FOR PERC EMPLOYEES TO THE BOARD OF DIRECTOR SHOULD ANY CONFLICTS OF INTEREST ARISE. THE GRIEVANCE COMMITTEE CONSISTS OF 1 PERC EMPLOYEE AND 2 PERC DIRECTORS AND REPORTS AT EACH BOARD MEETING (TWICE A YEAR) TO THE ENTIRE BOARD. TO DATE THIS COMMITTEE HAS HAD NOTHING TO REPORT.
Form 990, Part VI, Line 11	Form 990, Part VI, Line 11 Form 990 Review Process	A DRAFT COPY OF THE FORM 990 IS APPROVED BY THE FINANCE COMMITTEE PRIOR TO FILING.
Form 990, Part VI, Line 2	Form 990, Part VI, Line 2 Description of Business or Family Relationship of Officers, Directors, Et	THE ORGANIZATION'S SECRETARY AND EXECUTIVE DIRECTOR ARE MARRIED.

PERC Report on 2011 Activities



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INTRODUCTION

PERC is a 501 (c)(3) nonprofit research and educational institute founded in Bozeman, Montana, in 1980 with the mission of improving environmental quality through property rights and markets

2011 proved to be the busiest year ever at “PERC University.” Scholars, students, environmental entrepreneurs, and media professionals visited from the world’s most prestigious schools, a myriad of countries, and leading media outlets. In addition to dozens of daily seminars, PERC held 13 conferences with 168 participants, six Liberty Fund colloquia, welcomed 25 visiting professors from Harvard, Yale, MIT, and Columbia, to mention a few, 28 graduate and undergraduate students, five journalists, and mentored 16 early-career environmental leaders as part of PERC’s Enviropreneur Institute (PEI).

Our top organizational priority is to make PERC *the* center for Free Market Environmentalism (FME). We plan to reach this goal by fully realizing our vision of creating “PERC University.” PERC University has three goals:

- Research—to be the premier research institute for studying how property rights and markets can improve environmental quality,
- Outreach—to be a sought-after source of information on the application of FME to environmental problems,
- Applied Programs—to be not just a “think tank” but also a “do tank.” Practitioners and environmental entrepreneurs see PERC as the recognized source for practical solutions to conservation problems.

PERC is the oldest and largest organization in the world devoted to helping decision makers, opinion leaders, and environmental entrepreneurs understand how they can achieve their environmental goals by using economic principles.

RESEARCH

PERC Research Director and Senior Fellow, Don Leal, conducts research that explores how we can encourage innovation and adaptation in the catch share approach to managing tuna and other transboundary fisheries. Leal completed a preliminary outline of topics for a PERC forum on the subject which is currently under review by representatives of the World Bank, the World Wildlife Fund, and the International Seafood Sustainability Fund (ISSF). Leal participated in several fisheries workshops and conferences hosted by government and non-government organizations, including the Gulf of Mexico Fisheries Management Council, Environmental Defense Fund, the International Seafood Sustainability Foundation, and the World Bank.

PERC held two Searle workshops on “Property Rights, Markets, and the Environment,” one in July, directed by Don Leal and Kurt Schnier, and another in November, directed by Terry Anderson and Dominic Parker. The workshop in July featured presentations focusing on lessons learned in rights-based fisheries management. Despite evidence that these market approaches generally improve fishing efficiency, fish stocks, and fish quality, there remain challenges in their implementation and in their design to overcome social and remaining environmental concerns. The ideas presented in the workshop represent cutting-edge research and will be extremely helpful in improving property rights-based strategies in the United States and abroad.

The second workshop was held at Lewis and Clark College in Portland, Oregon, on “Institutions, Resource Use and Economic Prosperity for North American Indians.” The goal of this workshop was to improve understanding of the impacts of federal policies and tribal institutions on capital formation and resource development in North American Indian economies and to lay the groundwork for a three-year research project funded by the M J Murdock Trust. Work by PERC scholars has shown that Indian and First Nation economies lag far behind neighboring local economies mainly due to institutions that limit property rights, raise transaction costs, and weaken the rule of law. One new participant emphasized that he learned more about the law and economics interface at this workshop than he ever realized existed. This workshop achieved PERC’s goal of using the series to expand our network of scholars. Of the eighteen participants, eight were new to PERC conferences. The new scholars included professors from Harvard, Colgate, UCLA, and the University of Utah, as well as two graduate students.

In late July, PERC hosted a Lone Mountain Forum, focusing on “Human Adaptation to Climate Change.” The forum included a lecture by Michael Greenstone, the 3M Professor of Environmental Economics at MIT and former chief economist of the Council of Economic Advisers during the first year of the Obama administration. Professor Greenstone addressed the question, “Will Adaptation Save Us from Climate Change?” Two crucial components of adaptation are likely to be migration and responses to changing land values.

Terry Anderson, Brandon Scarborough, and Reed Watson completed *Tapping Water Markets*, which will soon be released by Resources For the Future Press, an imprint of Taylor and Francis. The fact that this book is being published by a press not noted for publishing free market approaches is a testament to the power of PERC’s ideas. Here is what Tracy Mehan, formerly with the EPA, had to say about the book. “*Tapping Water Markets* makes a persuasive case for using prices, property rights and markets to allocate water for the

benefit of society rather than resorting to politics to allocate it for the benefit of the few and well connected
It is an indispensable book and an invaluable contribution to the water policy debate ”

PERC Senior Fellows, Terry L. Anderson and Donald R. Leal, began writing the third edition of *Free Market Environmentalism* in 2011. This edition will differ substantially from the previous two editions in that it is subtitled, “The Next Generation.” That subtitle has a double entendre: the third edition will include the next generation of ideas for applying property rights and markets to environmental problems and most chapters will be co-authored with young scholars who represent the next generation of free market environmentalists. A draft of the third edition will be completed in 2012.

PERC’s fellowship programs were filled with outstanding scholars, journalists, policy makers, and environmentalists who brought unique research projects with them. These fellowship programs offer a unique opportunity to spend time at PERC and advance fellows’ understanding of the role of markets and property rights in protecting and enhancing environmental resources. Once again, we drew fellows from a variety of disciplines: economics, law, political science, environmental science, agriculture, and public policy. And again, their topic areas covered a wide range, including water law, forestry, alternative energy, endangered species protection, conservation easements, and land tenure on Indian reservations.

Each fellow provided feedback through a final evaluation. Here are a few of their comments:

Last year I found PERC to be just the place I needed to recharge my scholarly batteries after an intense summer of work, and this year it was even more refreshing to spend a week in beautiful Bozeman. I continue to be impressed with how many interesting and different scholars that PERC brings together. Over the course of one week I learned something new in every daily seminar, insights that I would not have encountered in the course of my normal summer activities.
– Bart Wilson, Lone Mountain Fellow, Professor of Economics and Law, Donald P. Kennedy Endowed Chair in Economics and Law, Chapman University

I found the time I spent at PERC from May to August to be very productive. I was able to make substantial progress on various dimensions of my research. I also enjoyed the opportunity to present a seminar and found the response to my presentation to be extremely positive. The audience was high caliber, and a number of useful and insightful comments and suggestions were offered that will doubtless enhance the quality of our paper.
– Randy Rucker, Lone Mountain Fellow, Professor of Agricultural Economics and Economics, Montana State University

OUTREACH

Not only did the Outreach team meet its 15 targets for 2011 but in many areas they shot well beyond. PERC’s media clippings, for example, were projected to reach a circulation of 14,527,873 by year end—we hit 46,000,000. Publications in the *Wall Street Journal*, *Los Angeles Times*, and *Washington Times* helped boost this number.

PERC produced an eight-minute film on catch shares for fisheries, which is used by the World Bank and will be integrated into a classroom curriculum and shown to millions of students across the country.

PERC also increased its radio and television presence. For example, PERC scholars were featured on the John Batchelor Show, Radio West, Greensense Radio, and ABC Australia. In addition, PERC Executive Director, Terry Anderson, appeared on the John Stossell show in May to discuss the causes of American Indian poverty.

Publications: After 31 years of being in print, *PERC Reports—The Magazine for Free Market Environmentalism*, continued to educate a broad audience about the application of markets and property rights to environmental problems. The spring 2011 “Enviropreneur” issue was followed by a special summer issue answering “The Tough Questions for Free Market Environmentalism.” The fall issue focused on Lone Mountain Fellows and their varying research endeavors. Several PERC articles were reprinted in larger magazines such as the *American Spectator*, *Townhall Magazine*, and *High Country News*.

In addition to *PERC Reports*, PERC produced “The Green Tea Party Pocket Guide” and three *Case Studies* including “Saving African Rhinos: A Market Success Story,” “Funding Parks: Political versus Private Choices,” and “Vermont Schools the Nation in Woody Biomass Heating.” We also produced two *Policy Series*, “Fencing Fisheries in Namibia and Beyond,” and “Colony Collapse Disorder: The Market Response to Bee Disease.” Here is what others are saying about these publications:

Laura Huggins uses her interesting story-telling style to grab the reader’s attention. This *PERC Policy Series* strengthens the case that rights-based fishery management works and a well-designed catch share system customized to the local culture and history will work even in underdeveloped countries. —Jingjie Chu, The World Bank Group, Africa

A clear-headed and comprehensive analysis of the economic consequences of the nation’s recent honey bee losses. —Hannah Nordhaus, author of *The Beekeeper’s Lament*

Website: The PERC website continues to be the main platform for online communication and promotion of FME. In 2011 PERC saw a 19 percent increase in visitors to the website, a 26 percent increase in pages visited, and an 11 percent increase in visits of longer than 15 minutes. The website also incorporated more giving opportunities for supporting PERC through online contributions by adding more donate buttons and promoting PERC’s “4 Star Charity Navigator Rating” on the homepage. This effort, in conjunction with fundraising efforts via social media, helped produce a 40 percent increase in the number of donors giving online in 2011.

Social Media: In the summer of 2010, PERC launched four forms of social media: Facebook, Twitter, a blog, and YouTube. Since August 2010, PERC has accumulated nearly 2,000 followers on Facebook. These followers receive daily updates on free market environmentalism. Similarly, since its launch in September 2010, PERC’s blog, *The PERCulator*, has received 33,000 visits and has helped move more traffic to per.org. PERC has 367 followers on Twitter. PERC’s first short documentary video launched on PERC’s YouTube page and received 2,224 views in 2011. These numbers indicate that PERC’s social media

campaign is succeeding and is engaging new audiences in the ideas of FME

Public Affairs: PERC and its partner, the Liberty Fund, Inc., co-sponsored six colloquia with audiences ranging from marine fisheries experts to renowned climate change scholars. PERC hosted five media fellows including John Koppisch, an editor at *Forbes*, Andrew Wilson, a writer for the *American Spectator* and *Weekly Standard*, and Kristina Kendall, executive producer for the John Stossel show on Fox News.

Awards: PERC was recognized internationally with several awards presented to executive director, Terry Anderson. On March 8, Anderson was awarded the Liberalni Institute Annual Award, in Prague, Czech Republic, for “Contribution to the Proliferation of Liberal Thinking, and Making Ideas of Liberty, Private Property, Competition, and the Rule of Law Come True.” And on June 14, he and PERC senior research fellow, Dominic Parker, won the Addington Prize in Measurement from the Fraser Institute for their paper, “Sovereignty, Credible Commitments, and Economic Prosperity on American Indian Reservations.”

APPLIED PROGRAMS

On June 26 - July 8, PERC hosted the eleventh annual PERC’s Enviropreneur Institute (PEI) which has become PERC’s flagship applied program. It has established a global network of 185 fellows who have learned how to apply property rights and markets to achieve environmental quality and effectively become an active force in market-based environmental conservation. These fellows represent a wide range of conservation-oriented businesses and organizations, including the Nature Conservancy, Environmental Defense Fund, World Bank, well-respected environmental management schools, and for-profit firms.

The 2011 institute gathered 16 enviropreneurs from around the globe to explore how markets and property rights promote environmental stewardship. Fellows represented a number of countries including China, Cuba, Ecuador, Israel, and South Africa.

The following comments are indicative of satisfaction with the institute.

In a world of increasing pessimism about the economy and the environment, PEI stands out as a refreshing front of hope. During my time at the Enviropreneur Institute, I learned many practical and theoretical lessons that will assist my work in free market environmentalism. However, the most beneficial aspect of the program was the connections with PERC staff, fellows, and alumni and their ‘can do’ spirits. — Dave Wager, 2011 PEI Alumnus, Tree Ring Pens

The two weeks in Montana were a life changing experience for me, not only because I had a chance to interact with really smart, knowledgeable, and innovative people and made friends with them forever, but also because the way I think about things has been changed forever. I heard so many good examples on how markets can succeed to protect the environment when other instruments failed. I felt I got more ideas and wanted to apply all the tools and principles we learned to my life.

and career. And I know I will have them to back me up no matter what. It's a great feeling to be one of the PEI mafia — Jingjie Chu, 2011 PEI Alumnus, World Bank

PEI alumni continue to build a global network of enviropreneurs. The Enviropreneur Alumni Association was formed to take ownership of that network. The association seeks to improve networking and peer mentoring and foster increased collaboration among PEI alumni, advance projects that support PERC's mission, and strengthen the relationship between PERC and PEI alumni. Each year, 16 alumni participate in a colloquium co-sponsored with Liberty Fund where discussions revolve around current issues and topics relevant to the enviropreneurs. The invitations are an honor and privilege for the alumni.

The Enviropreneur-in-Residence (EIR) Program provides an incubation period for enviropreneurs launching a business and is another opportunity for PEI alumni to continue their work at PERC. Monty Simus was chosen as the 2011 Enviropreneur-in-Residence. While at PERC, Monty refined the business plan for SmartMarkets, an integrated online trading platform that encourages a defined group of citizens to find creative ways to conserve water and power. During his stay, Monty also interviewed potential clients, participated in PERC workshops, and mentored other enviropreneurs visiting PERC.

2011 was a year for expanding PERC's Applied Programs beyond PEI.

- PERC received a grant to explore policy reforms that reduce the transaction costs and increase the gains from trading water in California. Towards that end, PERC hosted a workshop at Stanford University which brought together the state's leading scholars and water practitioners. Over the next two years, PERC will advance the innovative legal reforms generated at the 2011 workshop.
- Applied Programs received a similar grant to explore the viability of a market for coral reef restoration in Florida. Working with a 2011 alumnus of PEI, PERC is hosting a workshop in Florida for local conservation groups, businesses, and government agencies such as Florida Fish and Wildlife Conservation Commission and NOAA/Florida Keys National Marine Sanctuary. The objective is to develop mutually beneficial agreements between the producers and beneficiaries of reef restoration.
- A third applied program initiated in 2011 focused on how markets might be applied to Texas groundwater. Following a successful presentation to legislative and administrative staffers at the Texas State Capital, Applied Program Director, Reed Watson, was asked to explore the feasibility of a program for municipalities to compensate agricultural landowners for adopting management practices that enhance aquifer storage and quality.

PERC finalized a report on the impact of sustainability certification and renewable fuel subsidies on family owned forests. This report will serve as the basis for a presentation to the forest products industry, an academic publication in the *Journal of Forestry* or similar journal, and several publications in forestry trade journals.

PERC UNIVERSITY CAMPUS CAMPAIGN

PERC has launched a three-year capital campaign to raise \$1.8 million to purchase a building as the “campus” for “PERC University.” A true PERC campus will further ensconce the connection between the place and the idea of free market environmentalism. To show their commitment, 100 percent of the board members pledged a total of more than \$1 million toward this goal.

The most important reason for launching the campaign is that it will allow us to more effectively deliver programs. Purchasing and remodeling the building will allow us to occupy 30 percent more office space which can house more scholars and visiting fellows, to nearly double our conference facility and seminar space which means we can better accommodate the 15 conferences we host annually and save money by not using outside facilities, and to create a media communications center which will allow us to better connect with the mainstream media.

CONCLUSION

Since PERC opened its doors in 1980, the tapestry of environmentalism has changed dramatically. PERC has played a pivotal role in this transition by sponsoring and conducting research on FME. PERC scholars and researchers continue to pursue our vision of creating “PERC University,” *the* place where scholars, journalists, and environmental entrepreneurs gather to study and implement the ideas of FME. This vision includes reaching beyond the Rocky Mountains and the borders of the United States to take PERC’s message to broader audiences. PERC’s approach will simultaneously enhance freedom and environmental quality.

Additional Data

Software ID: 11000144
Software Version: 2011v1.2
EIN: 81-0393444
Name: PROPERTY AND ENVIRONMENT RESEARCH CENTER

Form 990, Special Condition Description:

Special Condition Description
